

Hearing Date: October 28, 2020 at 9:30am AST

Objection Deadline: October 14, 2020

**UNITED STATES DISTRICT COURT
FOR THE COURT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO,

Debtor.¹

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO ELECTRIC POWER
AUTHORITY,

Debtor.

No. 17 BK 4780-LTS

SCIEMUS LIMITED, et al.

Plaintiffs,

-v-

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO ELECTRIC POWER
AUTHORITY; PREPA NETWORKS LLC;

Adv. Pro. No. 3:19-AP-369 LTS

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5233-LTS) (Last Four Digits of Federal Tax ID: 3801). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

PREPA NET INTERNATIONAL WHOLESALE
TRANSPORT, INC.; COMMONWEALTH OF
PUERTO RICO; and SECRETARY OF THE
TREASURY, c/o Public Insurance Bureau,

Defendants.

**NOTICE OF MOTION OF PUERTO RICO ELECTRIC POWER AUTHORITY
PURSUANT TO BANKRUPTCY CODE SECTION 105, PROMESA SECTION 315(a),
AND BANKRUPTCY RULE 9019 FOR ORDER APPROVING SETTLEMENT
AGREEMENT WITH CERTAIN INSURERS AND GRANTING RELATED RELIEF**

To the Court, the Parties Hereto and Their Respective Attorneys of Record:

PLEASE TAKE NOTICE THAT, upon the Puerto Rico Electric Power Authority's ("PREPA") Memorandum of Law in Support of its Motion for an Order Approving the Settlement Agreement with Certain Insurers and Granting Related Relief (with Exhibits), dated October 6, 2020 (the "Motion"), PREPA moves this Court, before the Honorable Laura Taylor Swain, United States District Judge for the Southern District of New York, at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, Courtroom 17C, New York, New York on **October 28, 2020 at 9:30 a.m.** (Atlantic Standard time), or as soon thereafter as counsel is heard, for an order, pursuant to Bankruptcy Code section 105, PROMESA section 315(a), and Federal Rule of Bankruptcy Procedure 9019, substantially in the form annexed to the Motion as **Exhibit A** (the "Proposed Order") [ECF No. 92-1], providing, among other things: (i) approval of the Final Settlement and Release Agreement (the "Settlement Agreement")² by and between PREPA, the Financial Oversight and Management Board ("FOMB"), and the Insurers,³ a true and correct copy

² Unless otherwise defined herein, all capitalized terms shall have the meanings set forth in the Settlement Agreement.

³ As used herein, "Insurers" shall mean Sciemus Limited; Markel Europe; Lloyd's Syndicates CIN 318, WRB 1967, and AGM 2488 subscribing to Policy No. B080414390F14; Lloyd's Syndicates MIT 3210, KLN 510, MMX 2010, CSL 1084, TMK 1880, AML 2001, and BRT 2987 subscribing to Policy No. B0804Q11263F14; Indian Harbor Insurance Company; PartnerRe Ireland Insurance dac; and Swiss National Insurance Co. Ltd. via local placement with Multinational Insurance Company (collectively the "2014-15 Insurers"); and Lloyd's Syndicates MIT 3210, KLN 0510, MMX 2010, CSL 1084, TMK 1880, AML 2001, BRT 2987, HDU 0382, CNP 4444/CNP958, CINP 0318, WRB 1967, AMA 1200, and AGM 2488; Markel Bermuda Limited.; Indian Harbor Insurance Company; Swiss National

of which is attached to the Motion as **Exhibit B** [ECF No. 92-2]; (ii) payment of \$3,500,000 to PREPA by the Insurers in full and complete satisfaction of the Insurers' obligations under the Policies within 30 days of entry of a final, non-appealable order granting the Motion and approving the Settlement Agreement; (iii) that no creditor of PREPA or other party served with notice of and/or with the Motion shall have any claim against Insurers or under the Policies or for any portion of the Settlement Amount; (iv) that Insurers shall not be subject to claims of any Named Insureds, Additional Insureds,⁴ loss payees, mortgagees, or any other parties served with notice of and/or with the Motion with respect to the Policies or payment of the Settlement Amount to PREPA; and (v) no third party served with notice of and/or with the Motion shall be permitted to interfere with the transfer of the Settlement Amount to PREPA or PREPA's use of the Settlement Amount.

PREPA respectfully submits for the Court's consideration and approval a deadline of **October 14, 2020** for any Objections to the Motion. The relief requested in the Motion may be granted without hearing if no Objection is timely filed and served in accordance with the Court's Case Management Procedures.

PREPA has provided notice of this Motion to (collectively, the "Notice Parties"): (i) the parties to this Adversary Proceeding; (ii) the Office of the United States Trustee for the District of Puerto Rico; (iii) the indenture trustees and/or agents, as applicable, for PREPA's Bonds; (iv) the administrative agent(s) for lenders under that certain Credit Agreement, dated as of May 4, 2012, among PREPA, Scotiabank de Puerto Rico, and the lenders party thereto, as amended, and that certain Trade Finance Facility Agreement, dated as of July 20, 2012; (v) the statutory unsecured

Insurance Co. Ltd. and Aspen Syndicate 4711 via local placement with Multinational Insurance Company; and PartnerRe Ireland Insurance dac (collectively the "2015-16 Insurers").

⁴ As used herein, "Additional Insured" shall mean "Additional Named Assured," "Additional Named Insured," and/or "Additional Insured," as used and/or defined in the Policies (defined herein).

claimholders' committee appointed in this Title III Case; (vi) the Office of the United States Attorney for the District of Puerto Rico; (vii) counsel to AAFAF; (viii) the Puerto Rico Department of Justice; (ix) the Additional Insureds; and (x) all parties who have requested service in the Title III Cases of PREPA and the Commonwealth.

WHEREFORE, PREPA and the FOMB respectfully request that the Court enter the Proposed Order granting the relief requested in the Motion and such other and further relief as is just and proper.

This the 7th day of October, 2020.

/s/ Hermann D. Bauer

Hermann D. Bauer

USDC No. 215205

Carla Garcia Benitez

USDC No. 203708

O'NEILL & BORGES LLC

250 Muñoz Rivera Ave., Suite 800

San Juan, PR 00918-1813

Tel: (787) 764-8181

Fax: (787) 753-8944

Email: hermann.bauer@oneillborges.com

Email: carla.garcia@oneillborges.com

Martin J. Bienenstock (*pro hac vice*)

Stephen L. Ratner (*pro hac vice*)

Timothy W. Mungovan (*pro hac vice*)

PROSKAUER ROSE LLP

Eleven Times Square

New York, NY 10036

Tel: (212) 969-3000

Fax: (212) 969-2900

Email: mbienenstock@proskauer.com

Email: stratner@proskauer.com

Email: tmungovan@proskauer.com

Marc Eric Rosenthal (*pro hac vice*)

Paul V. Possinger (*pro hac vice*)

PROSKAUER ROSE LLP

70 West Madison

Suite 3800

Chicago, IL 60602-4342

Tel: (312) 962-3550

Fax: (312) 962-3551
Email: mrosenthal@proskauer.com
Email: ppossinger@proskauer.com

*Attorneys for the Financial Oversight and
Management Board as representative of Puerto Rico
Electric Power Authority*

/s/ Eduardo J. Corretjer Reyes

Eduardo J. Corretjer Reyes
USDC-PR 224113
CORRETJER, L.L.C.
625 Ponce de León Ave.
San Juan, Puerto Rico 00817-4819
Tel: (787) 751-4618
Fax: (787) 759-6503
Email: ejcr@corretjerlaw.com

Shelby S. Guilbert, Jr. (*pro hac vice*)
KING & SPALDING LLP
1180 Peachtree Street, N.E.
Atlanta, GA 30309
Tel: (404) 572-4600
Fax: (404) 572-5100
Email: sguilbert@KSLAW.com

*Attorneys for the Puerto Rico Electric Power
Authority*